

### III. IN THE SPECIFICATION

Please replace the section beginning on page 40, line 4, through page 42, line 5 as rewritten below:

#### Brief Description of the Figures

An embodiment of the invention will now be described by way of example only with reference to the accompanying drawings in which:

Figure 1 shows a video encoder according to the prior art;

Figure 2 shows a video decoder according to the prior art;

Figure 3 shows the types of frames used in video encoding;

Figures 4a, 4b, and 4c show steps in block-matching;

Figure 5 illustrates the process of motion estimation to sub-pixel resolution;

Figure 6 shows a terminal device comprising video encoding and decoding equipment in which the method of the invention may be implemented;

Figure 7 shows a video encoder according an embodiment of the present invention;

Figure 8 shows a video decoder according to an embodiment of the present invention;

~~Figures 9 and 10 have not been used and any such figures should be disregarded.~~

Figure 11 shows a schematic diagram of a mobile telecommunications network according to an embodiment of the present invention;

Figure 12a shows a notation for describing pixel and sub-pixel locations specific to TML5;

Figure 12b shows interpolation of a half resolution sub-pixels;

Figure 12c shows interpolation of a half resolution sub-pixels;

Figure 13a shows a notation for describing pixel and sub-pixel locations specific to TML6;

Figure 13b shows interpolation of a half resolution sub-pixels;

Figure 13c shows interpolation of a half resolution sub-pixels;

Figure 14 shows a notation for describing pixel and sub-pixel locations specific to the invention;

Figure 14b shows interpolation of a half resolution sub-pixels according to the invention;

Figure 14c shows interpolation of a half resolution sub-pixels according to the invention;

Figure 15 shows possible choices of diagonal interpolation for sub-pixels;

Figure 16 shows the half resolution sub-pixel values required to calculate other half resolution sub-pixel values;

Figure 17a shows the half resolution sub-pixel values that must be calculated in order to interpolate values for quarter resolution sub-pixels in an image block using the interpolation method of TML5;

Figure 17b shows the half resolution sub-pixel values that must be calculated in order to interpolate values for quarter resolution sub-pixels in an image block using the interpolation method according to the invention;

Figures 18a shows the numbers of half resolution sub-pixels that must be calculated in order to obtain values for quarter resolution sub-pixels within an image block using the sub-pixel value interpolation method according to TML5;

Figure 18b shows the numbers of half resolution sub-pixels that must be calculated in order to obtain values for quarter resolution sub-pixels within an image block using the sub-pixel value interpolation method according to the invention;

Figure 19 shows a numbering scheme for each of the 15 sub-pixel positions;